

PUBLIC HEARING

ON

BILL 18-221, “SQUARE 50, LOT 87 LIMITED REAL PROPERTY TAX ABATEMENT ACT OF 2009”

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**May 21, 2009, 10:00 a.m.
John A. Wilson Building**



**Testimony of Richie McKeithen
Director of Real Property Tax Administration
Office of Tax and Revenue**

**Natwar M. Gandhi
Chief Financial Officer
District of Columbia**

Good morning, Chairman Evans and members of the Committee on Finance and Revenue. I am Richie McKeithen, Director of Real Property Tax Administration for the Office of Tax and Revenue. I am pleased to present testimony on Bill 18-221, "Square 50 Lot 87 Limited Real Property Tax Abatement Act of 2009."

The purpose of this bill is to exempt land located in the 2200 block M Street, N.W., from property tax for seven years. The abatement would freeze property tax for the owner at the Tax Year 2009 level, thereby abating any incremental property tax increases.

The property is a small commercial office building that has approximately 8,900 square feet of finished area and 16,000 square feet of land. The owner, Perstar M Street Partners, LLC has not applied for exemption from real property tax. The only way to keep the property tax at Tax Year 2009 level is through legislation.

Bill 18-221 would reduce real property tax collections by approximately \$19,000 between FY 2010 and FY 2013. Because the tax abatement would remain in effect

for seven years, Bill 18-221 would further reduce property tax collections by a total of \$137,680.

Estimated Impact by Fiscal Year					
	FY 2010	FY 2011	FY 2012	FY 2013	Total
Total Assessed Value	\$22,057,980	\$22,057,980	\$22,057,980	\$22,719,719	\$88,893,659
Total Tax Liability	\$402,073	\$402,073	\$402,073	\$414,315	\$1,620,533
Total FY 2009 Tax Liability	\$400,425	\$400,425	\$400,425	\$400,425	\$1,601,702
Total Value of Abatement	\$1,647	\$1,647	\$1,647	\$13,889	\$18,831
Negative Fiscal Impact	\$1,647	\$1,647	\$1,647	\$13,889	\$18,831